

Inquiries of the Ministry

words, what degree of unemployment does the government regard as the point at which it must begin to reverse its policies and the degree beyond which unemployment would be considered to be at the danger point?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered a lot of questions on this subject yesterday and I think the hon. member should refer to *Hansard*.

Some hon. Members: Oh, oh!

Mr. Crouse: That is arrogance for you. How arrogant can you get?

Mr. Muir (Cape Breton-The Sydneys): The unemployed will appreciate that.

Mr. Stanfield: Mr. Speaker, I do not have to refer to *Hansard*. I was here and heard the questions and I am asking for information from the Prime Minister. I think the House and the country are interested in knowing what the policy of the government is, and I should like the Prime Minister to state the point at which he and his government would consider that its policies designed to slow down the economy should be slackened. We would like to know what that unemployment figure would be.

Mr. Trudeau: Mr. Speaker, our policies to slow down the economy, as the hon. member puts it, will be slackened when the inflationary psychology is broken in this country. If we do not have the support of the opposition and of the general public—

Mr. MacEwan: That old story doesn't go down any more.

Mr. Trudeau: —in the fight against inflation, if they think the government is going to give up the fight against inflation, obviously the inflationary psychology will not be broken and therefore inflation will continue wreaking the havoc that it has on the Canadian economy. For this reason I appeal to the opposition and to public opinion to realize that we do intend to beat inflation and that the sooner they realize it the sooner the inflationary psychology which the opposition is encouraging will cease.

Mr. Stanfield: Mr. Speaker, I take it from this that the government considers that the degree of unemployment existing in the country is necessary for an effective fight against inflation. I should like to ask a supplementary question rising from the impression that the Prime Minister attempted to give yesterday that the employment situation in the Atlantic

[Mr. Stanfield.]

provinces was better than a year ago. In view of the fact that the DBS figures for two months in a row have shown that the actual level of employment in the Atlantic provinces is lower than a year ago, is the Prime Minister not prepared to agree not only that the impression he tried to give yesterday was wrong but that in fact the policies of the government are slowing down the economy in that area and that this must be due either to the policies being pursued by the Minister of Finance or the futility of the efforts of the Department of Regional Economic Expansion?

Mr. Trudeau: Once again, Mr. Speaker, I must refer the hon. member to *Hansard*. I did not talk about a year ago. I compared the figures of last September and this month.

Mr. Stanfield: I have a further supplementary question, Mr. Speaker. I was talking about a year ago. I was talking about the impression that the Prime Minister tried to give that the policies of the government were not depressing the economy and the rate of development in these areas. I ask the Prime Minister whether, in view of the fact that DBS figures show that for two months in a row employment figures were actually lower than a year ago, the policies of his government are not having this disastrous effect?

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker, to the Prime Minister. Some months ago the Prime Minister said in a press interview that in order to combat inflation the government was prepared to see an unemployment figure of 6 per cent, that it would not worry the Prime Minister if there was an unemployment figure of 6 per cent. Since as of yesterday we have an unemployment figure of 6.7 per cent, would he tell the country whether he is now prepared to revise that original figure and whether the figure which would not worry him is not 6 per cent but 8 per cent or 10 per cent?

Mr. Trudeau: Mr. Speaker, the hon. member is trying to ask the same kind of question as the Leader of the Opposition asked, and the quotation is not an accurate one. I was asked the same type of question by the press as I have been asked by the Leader of the Opposition as to what percentage of unemployment would force the government to change its anti-inflationary policies. My answer was that the question should not be asked that way, that we were determined to fight inflation, and that the sooner the opposition and the various sectors of the country